

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of )

PUBLIC UTILITIES COMMISSION )

Instituting a Proceeding to Investigate )  
the Implementation Of Feed-in Tariffs )  
\_\_\_\_\_ )

Docket No. 2008-0273

PUBLIC UTILITIES  
COMMISSION

2009 NOV 17 A 10:01

FILED

**HAIKU DESIGN AND ANALYSIS**  
**COMMENTS ON INDEPENDENT OBSERVER LIST**  
**AND**  
**CERTIFICATE OF SERVICE**

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**HAIKU DESIGN AND ANALYSIS**

**COMMENTS ON INDEPENDENT OBSERVER LIST**

Carl Freedman, dba Haiku Design and Analysis (HDA) respectfully offers its comments on the Independent Observer List regarding the implementation of feed in tariffs for Hawaiian Electric Company, Inc., Maui Electric Company Ltd. and the Hawaii Electric Light Company, Ltd. (collectively: HECO Companies). In the comments below, HDA first provides some clarifications about any role that HDA might play as an independent observer regarding the implementation of feed-in tariffs and then provides a more general recommendation.

In accordance with the Order Setting Schedule in this docket, on November 13, 2009 the HECO Companies filed with the Commission a letter titled "Qualified Candidates for the Independent Observer Position". The HECO Companies included HDA in its list of qualified candidates. HDA offers the following clarifications about any potential role by HDA as an independent observer regarding the implementation of feed in tariffs in Hawaii:

(1) Due to the scheduling of existing contractual obligations, HDA would not be able to commit the amount time necessary to provide all of the services required of an independent observer in this matter in the next few months. The procedural schedule in this docket is crafted to provide prompt resolution of several substantial matters. Time is of the essence. The independent observer will be required to devote extensive and perhaps exclusive attention to these matters commencing immediately upon approval of a contract and proceeding until these matters are resolved. HDA has several existing contractual obligations in this time frame that would not permit a commitment to provide the full attention that this matter requires.

(2) HECO contacted HDA to obtain permission to list HDA as a candidate for independent observer prior to the HECO Companies' November 13 filing.<sup>1</sup> HDA informed HECO that HDA has prior contractual obligations that would probably not allow HDA to perform all of the duties necessary according to the schedule of proceedings in this docket. HDA assented to being listed as a candidate, however, recognizing that, in addition to the immediate role in facilitating expeditious resolution of queuing policies and procedures, the role of independent observer also requires an extended, longer term oversight role that could perhaps most efficiently be served by a local (Hawaii) entity. Although HDA cannot provide all of the immediate tasks identified in the schedule of proceedings, HDA assented

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<sup>1</sup> HDA did not solicit the HECO Companies' recommendation as a candidate as an independent observer in this matter. In case it is not clear, please note that the letter from HDA included in Attachment 1 of the HECO Companies' November 13 filing (which **was** an active solicitation) was dated May 3, 2007 and addressed qualifications to serve as an independent observer in a different matter: regarding implementation of competitive bidding procedures.

to being listed as a candidate independent observer in the event that useful services might be required in the longer term.

Generally, HDA notes that the role of the independent observer includes two phases that are to some extent distinct and may best be served by separate entities or a team of entities. The immediate task of the independent observer is to assist the Commission and parties to develop a fair and workable queuing process. After the process is developed, the independent observer will serve an extended, long term oversight, monitoring and reporting function. The initial task to develop queuing procedures is time intensive and could perhaps best be served by a consultant with prior experience in queuing procedures implemented in other jurisdictions. This would probably be a mainland consultant or a consultant with recent mainland experience. On the other hand, the longer term oversight, monitoring and reporting functions might most effectively and economically be provided by an entity located in Hawaii. It could prove expensive for a mainland firm to provide the frequent presence in Hawaii that would be necessary to effectively provide extended oversight functions.

HDA recommends that, in developing and approving a contract for independent observer services, the HECO Companies and the Commission consider utilizing a team or separate entities to most effectively and economically provide for both immediate and long term needs. HDA also recommends that some other Hawaii entities be identified as candidates that could provide ongoing oversight, monitoring and reporting functions, even if these entities may not be optimal for the immediate task of developing queuing

procedures and even if Hawaii candidates for this more extended role are not identified immediately at this stage of the proceedings.

Dated: November 16, 2009; Haiku, Hawaii

Signed: CARL FREEDMAN

Carl Freedman  
dba Haiku Design and Analysis

CERTIFICATE OF SERVICE

The foregoing HAIKU DESIGN COMMENTS ON INDEPENDENT OBSERVER LIST was served by electronic transmission on the date of signature below to the following parties in this docket except that as noted, the Division of Consumer Advocacy was also served two copies on the same date by first class mail:

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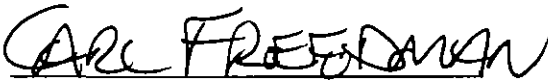
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Dated: November 16, 2009; Haiku, Hawaii

Signed:   
Carl Freedman  
dba Haiku Design and Analysis